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**ABITIBI**

Annual Report 1972

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The Annual Meeting of shareholders will be held in the Cinema Theatre, Toronto-Dominion Centre, Toronto, Canada, on Friday, April 13, 1973 at 10:30 a.m. Toronto time.



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## Annual Report for the year ended December 31, 1972

### ABITIBI PAPER COMPANY LTD.

Head Office: Toronto-Dominion Centre, Toronto, Canada M5K 1B3

#### Comparative Summary

	1972	1971
Net sales.....	\$307,751,000	\$279,434,000
Depreciation and depletion.....	\$ 16,646,000	\$ 16,682,000
Taxes on income.....	\$ 5,346,000	\$ 2,933,000
Equity in earnings of Mattabi Mines Limited.....	\$ 1,767,000	\$ —
Earnings from operations.....	\$ 8,516,000	\$ 4,123,000
<i>Per common share</i> .....	43.5¢	18.9¢
Extraordinary item.....	\$ —	\$ 728,000
Net earnings.....	\$ 8,516,000	\$ 4,851,000
<i>Per common share</i> .....	43.5¢	23.0¢
Dividends declared on preferred shares.....	\$ 731,000	\$ 742,000
Dividend declared on common shares.....	\$ 1,257,000	\$ —
<i>Per common share</i> .....	7¢	\$ —
Invested in capital assets.....	\$ 11,657,000	\$ 10,285,000
Working capital.....	\$ 89,619,000	\$ 84,660,000
Long term debt.....	\$106,060,000	\$112,769,000
Shareholders' equity — common shareholders.....	\$195,043,000	\$187,884,000
<i>Per common share</i> .....	\$10.86	\$10.51
Number of shareholders — common shares.....	29,411	32,364

## **Directors** (as of January 1, 1973)

**Thomas J. Bell,**  
Chairman of the Board  
and Chief Executive Officer,  
Abitibi Paper Company Ltd., Toronto, Canada

**Edmund C. Bovey,**  
President and Chief Executive Officer,  
Northern and Central Gas Corporation Limited,  
Toronto, Canada

**George M. Brain,**  
Senior Vice-President,  
Abitibi Paper Company Ltd., Toronto, Canada

**Bertram D. Coleman,**  
Philadelphia, Pa., U.S.A.

**Marsh A. Cooper,**  
President and Managing Director,  
Falconbridge Nickel Mines Limited,  
Toronto, Canada

**C. Antoine Geoffrion, Q.C.,**  
Geoffrion & Prud'homme, Montreal, Canada

**Robert C. Gimlin,**  
President,  
Abitibi Corporation, Birmingham, Mich., U.S.A.

**Charles L. Gundy,**  
Chairman, Wood Gundy Limited,  
Toronto, Canada

**Leonard G. Lumbers,**  
Chairman of the Board,  
Noranda Manufacturing Ltd., Toronto, Canada

**General Lauris Norstad,**  
Chairman of Executive Committee,  
Owens-Corning Fiberglas Corporation,  
Toledo, Ohio, U.S.A.

**Theodore O. Peterson,**  
Chairman of the Board,  
Investors Mutual of Canada Ltd.,  
Winnipeg, Canada

**The Honorable John P. Roberts, P.C., Q.C.**  
Stikeman, Elliott, Roberts and Bowman,  
Toronto, Canada

**Paul E. Roberts,**  
Boca Raton, Fla., U.S.A.

**C. Harry Rosier,**  
President and Chief Operating Officer,  
Abitibi Paper Company Ltd., Toronto, Canada

**W. Stanley Rothwell, F.C.A.,**  
Senior Vice-President,  
Abitibi Paper Company Ltd., Toronto, Canada

**Kenneth R. Thomson,**  
Chairman of the Board and President,  
Thomson Newspapers Limited,  
Toronto, Canada

**John A. Tory, Q.C.,**  
Tory, Tory, DesLauriers & Binnington,  
Toronto, Canada

### **HONORARY DIRECTORS**

Douglas W. Ambridge, *Honorary Chairman*  
Harry J. Carmichael  
Joseph P. Ripley  
The Rt. Hon. Lord Thomson of Fleet

## **Officers** (as of January 1, 1973)

**Thomas J. Bell,**  
Chairman of the Board  
and Chief Executive Officer

**C. Harry Rosier,**  
President and Chief Operating Officer

**George M. Brain,**  
Senior Vice-President

**Robert E. E. Costello,**  
Senior Vice-President

**J. Elliot Cottrelle,**  
Senior Vice-President

**W. Stanley Rothwell, F.C.A.,**  
Senior Vice-President

**James Flintoft, Q.C.,**  
Vice-President and Secretary

**John E. Haire,**  
Vice-President — Corporate Development

**Mark D. S. Kellow,**  
Vice-President —  
Personnel and Public Relations

**Bernd Koken,**  
Vice-President — Board Group — Canada

**T. Newman McLenaghan,**  
Vice-President —  
Operations, Newsprint Group — Canada

**James B. Papoe,**  
Vice-President —  
Manufacturing — Newsprint Group — Canada

**Roy Curtis, C.A.,**  
Comptroller

**H. P. Armstrong,**  
Treasurer

**Michael D. Thompson,**  
Assistant Secretary

**R. Allan Thompson, C.A.,**  
Assistant Treasurer

**Robert A. Cook,**  
Assistant Treasurer

## **Transfer Agents & Registrars**

**Montreal Trust Company,**  
Toronto, Montreal, Vancouver, Calgary,  
Regina, Winnipeg and Halifax, Canada

**First National City Bank,**  
New York, U.S.A. (Transfer Agent)

**Bankers Trust Company,**  
New York, U.S.A. (Registrar)

## **Auditors**

**Price Waterhouse & Co.,**  
Toronto, Canada



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## Report of the Directors

Net sales were \$307,751,000, an increase of \$28,317,000 or 10% in comparison with 1971. Markets for almost all of our products improved as the year progressed although selling prices increased only marginally. The value of the Canadian dollar continued to be a critical factor in our affairs because of our large volume of shipments to the United States and other export markets. The Canadian dollar traded at a premium for most of the year and the yield on conversion of U.S. and other currencies was lower on average than in 1971.

Net earnings for the year were \$8,516,000 or 43.5¢ per common share. This compares with 1971 earnings from operations of \$4,123,000 or 18.9¢ per share and net earnings for that year, including a favourable extraordinary item, of \$4,851,000 or 23¢ per share.

Earnings in 1972 include \$1,767,000 in respect of Abitibi's 40% interest in Mattabi Mines Limited. Mining profits will not contribute to cash resources of Abitibi for some time since it is the intention of Mattabi to apply its cash flow in the early years to the retirement of debt.

Although still below a satisfactory level, earnings of \$6,749,000 from sources other than mining showed considerable improvement over 1971. Excluding mining income in 1972 and the extraordinary item in 1971, the return on invested capital increased to 3.3% from 2.5% in the prior year.

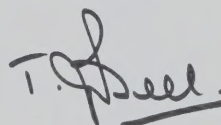
A dividend of 7¢ per common share was declared, payable December 1, 1972, to shareholders of record on November 1, 1972. Shareholders were advised at the date of payment that this was a special dividend based on the improvement in net earnings in comparison with 1971 and, in addition, that the company's capital requirements and other problems common to the industry precluded the resumption of dividends on a regular basis during 1972. Regular quarterly dividends were paid on preferred shares throughout the year.

In spite of large outlays for modernization, the operation of our Sault Ste. Marie mill has been unprofitable for several years due to high operating costs, productivity of facilities and selling prices that do not cover the costs of manufacture and delivery. Substantial losses have been incurred for the past three years. A recent market survey and a thorough appraisal of the outlook point to an uncertain future. Being mindful of the serious problems posed for our employees and in the hope of finding a solution in the near term, no decision has yet been made as to the future of this operation.

As we enter 1973, the market outlook for our products is substantially better than it was at this time last year. Because of the low returns realized by the industry in recent years, there is little new capacity planned or under construction. Most cost elements such as wages, energy, pulpwood and transportation are continuing to rise and attainment of a respectable return on investment can be achieved only by price improvement in excess of cost increases.

The outlook at this date points to improving profits from papers, building products and board operations. Also, Mattabi Mines Limited will have a full year of operations in 1973. This substantial asset is valued on our balance sheet only to the extent of our equity in retained earnings.

On behalf of the Board,



*Chairman and Chief Executive Officer*

Toronto, February 16, 1973



## Newsprint, Pulp and Board – Canada

The unsettled conditions that prevailed in the Canadian industry in 1971 continued into the early part of 1972 with low volume and price erosion. Newsprint demand increased as the year progressed, particularly in North America where newspapers enjoyed a year of growth. By year end, newsprint consumption had increased over 1971 by 7% in North America and by 4% in other markets. Abitibi's newsprint shipments to North American destinations showed a satisfactory gain in relation to market conditions. The consolidation of marketing activities in the United States under Abitibi Newsprint Corporation, as outlined in the 1971 annual report, proved to be a progressive forward step. Price increases during 1972 were quite modest while rising costs and the high value of the Canadian dollar were deterrents to profit improvement.



received in the market. Toward year end the first on-machine computer in the Canadian newsprint industry was installed on a high-speed machine and results and performance are now being evaluated.

The higher level of newsprint consumption experienced in 1972, the 5% growth projected for 1973 and the lowest year-end levels of publisher inventories in 40 years, all point toward a better market environment ahead. A close balance between supply and demand is expected to develop during 1973 and continue into the 1974-1975 period. Increased sales of newsprint in North American markets seem assured for 1973. The recent \$5.00 per ton price increase in the United States, effective February 1, 1973, will be more than offset by realized and expected cost increases since the previous price adjustment. As the market for newsprint strengthens, progress toward profit margin improvement from the current low level should result. A return to an acceptable earnings level is essential if non-captive newsprint producers are to expand sufficiently to adequately supply future needs.

Our groundwood specialty operations at Sault Ste. Marie continued to be unsatisfactory in spite of intensive efforts to restrain cost increases and upgrade into more profitable products.



Our Canadian mills ran efficiently all year. The company continued its leadership in the utilization of foils and plastic wires on paper machines and established industry wire-life records during the year. Excellent progress was made in the production of an improved offset newsprint which was well



### Pulp and Lumber

Our bleached kraft pulp mill at Smooth Rock Falls operated at peak efficiency and production increased in comparison with 1971. Excess capacity in the North American industry again contributed to depressed prices for market pulp. There were indications by year end that growth in consumption had eliminated excess capacity and that 1973 will see full operations accompanied by price improvement.



The integrated lumber operations at Smooth Rock Falls had a most successful year with continuing favourable markets and production above designed capacity. The capacity of this lumber mill is now being expanded. While home building in North America is expected to decline somewhat in 1973, consumption and prices should remain at a satisfactory level.

### Board Group

Canadian markets for building products and packaging materials progressed to record highs in 1972. Residential construction was at an all-time peak and the packaging industry, long a bellwether of the economy, enjoyed its best year ever.

Market prices for hardboards remained at depressed levels with imports of low-priced plywoods the major deterrent to badly needed price increases. With the declining profitability of woodgrain panelings, we shifted production and marketing emphasis to exterior siding products which provide a more satisfactory return. Our siding products have gained wide acceptance with Canadian builders from coast to coast. Veneer and plywood operations at Durham showed some improvement over prior years reflecting better markets and higher efficiency levels in the plant.

Strong demand for corrugating medium from container manufacturers resulted in continuous operation of our plant throughout the year. Production and shipments set a new record. Our container division, with plants at Rexdale and Pembroke, increased its sales volume in excess of industry growth. A buoyant market permitted price increases sufficient to offset rising costs.





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## Fine Papers — Canada

Net sales of the fine paper group increased by \$9,376,000 or 13%. All divisions of the group contributed to this improved outcome.

### **Abitibi Provincial Paper**

The annual report last year commented on increasing evidence that fine paper consumption in Canada was resuming a normal growth trend. Such proved to be the case and production in Canada increased by 4.5%.

Your company participated fully in this growth. The strength of the Canadian dollar and U.S. tariff reclassifications impeded the export of Canadian-made papers while, in contrast, the high value of our dollar encouraged imports.

All through 1972 the accent was placed on further improvement in productivity and quality. A major successful project was the installation of improved mill-wide scheduling procedures that resulted in substantial cost reductions, better integration of mill scheduling and improved customer servicing. Preparation was commenced in midsummer for the installation early in 1973 of a control computer on our largest paper machine at Thorold.

There is an increasing acceptance by consumers of the principle of support for papers containing reclaimed, de-inked fibre. Many tenders specify a preference for these papers. The recent capacity increase of 15% in our waste paper plant was most timely.

Considerable progress was made in the production and marketing of fine paper specialties such as gummed paper for postage stamps, wall-covering stocks and many paper grades destined for sophisticated packaging uses.

While there is still excess capacity in the industry, we expect tightening Canadian and world markets to stimulate domestic production and promote better operations in 1973.

Pricing has improved somewhat and indications are it will continue to do so.

With an effective date of January 1, 1973, Hillier Paper Limited, a prominent Manitoba fine paper merchant with headquarters in Winnipeg, became a wholly-owned subsidiary.

### **Hilroy Envelopes & Stationery Limited**

Sales and earnings of Hilroy Envelopes & Stationery Limited were ahead of 1971

in school supplies, stationery and commercial envelopes.

Markets for school supplies and stationery were even more competitive and once again school enrolments fell off.

Despite this, progress was made, mainly attributable to our new range of products which are considered to be the finest in Canada.

In the commercial envelopes division, all plants showed improvement and, with new equipment being added, we are looking for continued and greater growth.

### **Inter City Papers, Limited**

The merchant trade throughout Canada experienced a much improved year. Inter City Papers, with warehouses in Montreal, Toronto, Ottawa and Quebec City, achieved a significant improvement over the prior year.

In August, Inter City Papers purchased all the outstanding common shares of Lauzier Paper Ltd., a prominent fine paper merchant with headquarters in Montreal. We intend to merge the T. B. Little Division and Lauzier Paper to create the largest and most efficient distribution company in Quebec.

### **Canada Envelope Company**

All three plants of Canada Envelope Company, located at Montreal, Toronto and Stellarton, operated well throughout the year and established new highs in sales volumes.

A number of new specialty products were successfully produced in considerable quantities and other product innovations are under study. New folding, printing and specialty machines, the most modern available, will be installed in Montreal and Toronto during 1973.

The outlook for continued growth is most promising.

### **Management**

Operations of the fine paper group are directed by George M. Brain who also serves as President of Abitibi Provincial Paper.

Presidents of the principal subsidiary companies are J. E. Patterson, Hilroy Envelopes & Stationery Limited, John G. Davis, Inter City Papers, Limited and K. E. Christmas, Canada Envelope Company.







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## Abitibi Corporation — U.S.A.

Our recently restructured United States subsidiary, Abitibi Corporation, had a record year as each of its three divisions posted significant gains.

### Building Products Division

Net sales of the Building Products Division increased 22% in response to a record level of new housing starts and a strong remodeling and repair market. The hardboard plant at Alpena and the new exterior siding plant at Roaring River operated at capacity throughout the year. The hardboard converting plant at Chicago and the plywood converting plant at Cucamonga, California, operated at capacity during the second half and established new records in shipments. Selling prices were constrained under the U.S. Economic Stabilization Program. Profit improvement resulted from increased sales, better product mix and improved manufacturing efficiency.

The new Alpena print line came on stream in mid-year, as scheduled, enabling us to better serve the increasing demand for our

attractive hardboard panelings. The installation of additional equipment at Roaring River increased productive capacity by 20% and contributed to increased volume during the latter part of the year.

Renovation of the Blountstown, Florida, plant for the manufacture of insulating sheathing is under way and start-up is scheduled for mid-1973. Insulating sheathing, an essential product in new residential construction, is a companion product to our siding lines and will move through established distribution channels.

A substantial sum was spent on environmental control. Alpena's new secondary water treatment plant is operating successfully and the U.S. Environmental Protection Agency is using this new facility to set water standards for the hardboard industry.

While housing starts in the United States are expected to decline approximately 10% in 1973, the sales projection for our building products continues favourable and capacity operations are expected at all plants.







#### **Abitibi Newsprint Corporation**

Abitibi Newsprint Corporation successfully completed its major reorganization for marketing the company's newsprint products in the United States. Progress was made in achieving the objective of improved service and responsiveness to the needs of our customers. Our newsprint sales in this market showed a significant increase. Abitibi Newsprint Corporation is in a strong position to participate in the increasing demand for newsprint that commenced in the last quarter and is continuing into 1973.



#### **Abitibi Southern Corporation**

The newsprint plant at Augusta, Georgia, owned by Abitibi Southern Corporation, operated at capacity levels throughout 1972. Plant performance and efficiencies were at a high level and a production increase of 6% over 1971 established a new annual record. A continuation of capacity operations is expected during 1973.

#### **Management**

The activities of Abitibi Corporation and its subsidiaries are managed by its President, Robert C. Gimlin who is resident in the United States. Senior management personnel include C. F. Buckland, President, Building Products Division; L. E. Mansfield, Jr., President, Abitibi Newsprint Corporation and T. C. Bannister, Executive Vice-President & General Manager, Abitibi Southern Corporation.



## Financial Review

Net sales of our three principal product groups compare with the previous year as follows:

	<u>1972</u>	<u>1971</u>
Newsprint, pulp and groundwood specialty papers.....	\$142,934,000	\$137,173,000
Fine papers including merchant and converting operations.....	83,176,000	73,800,000
Building products, board and corrugated containers.....	81,641,000	68,461,000
	<u>\$307,751,000</u>	<u>\$279,434,000</u>

The geographical distribution of our sales was 52% in the United States, 44% in Canada and 4% to offshore destinations.

Capital expenditures on properties, plant and equipment were \$11,657,000 compared with \$10,285,000 in 1971 and \$17,343,000 in 1970. Capital outlays have been carefully controlled for a two-year period at a level below the annual provision for depreciation. As a consequence, we have a growing list of essential replacement and renovation projects with favourable returns in terms of quality

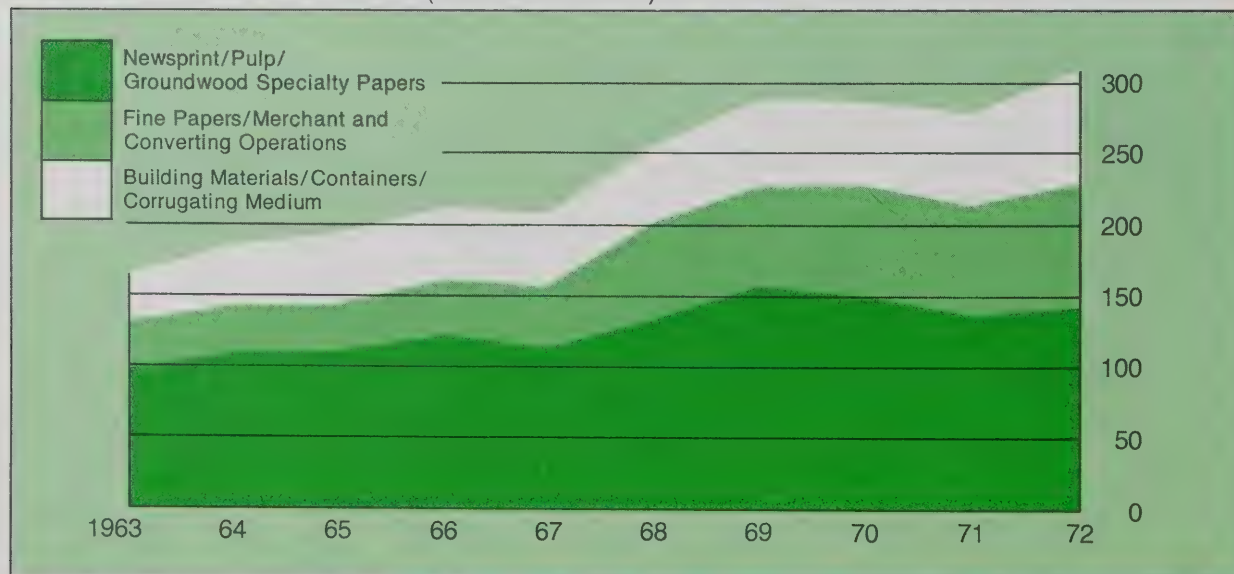
improvement, productivity, cost reduction or pollution abatement. In the planning of 1973 operations we are providing for capital expenditures of approximately \$20,000,000 to improve presently owned facilities.

Funds utilized for the retirement of long term debt were \$7,022,000 in comparison with \$5,647,000 in the previous year. There were no major borrowings during the year and our total long term debt now stands at \$111,439,000, of which an amount of \$5,379,000 falls due in 1973. We previously reported a larger maturing debt obligation in 1973 but, through rescheduling and refinancing, we have arranged a more orderly program for debt retirement.

Working capital of \$89,619,000 compares with \$84,660,000 at the close of 1971. We have the resources to finance the growth in volume anticipated in 1973.

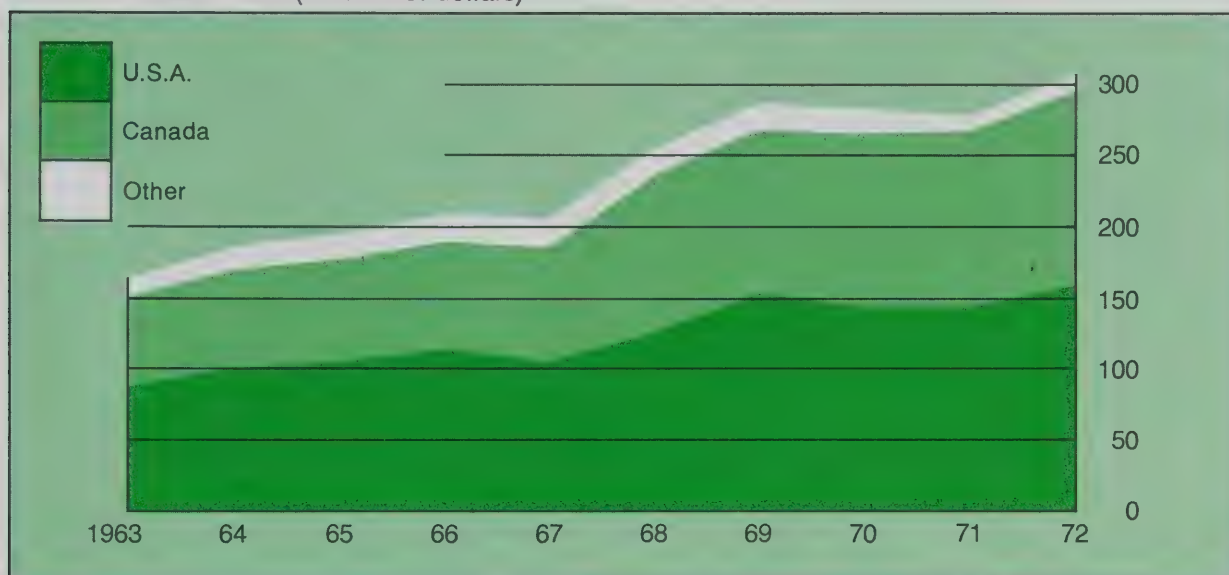
There were 53,918 common shares issued in August 1972 in connection with the purchase of ownership of Lauzier Paper Ltd., Montreal, and there were 14,780 shares issued under terms of the Key Employees' Stock Option Plan. There were 17,953,082 common shares outstanding at the close of 1972.

### SALES BY PRODUCT GROUPS (millions of dollars)





### SALES BY MARKETS (millions of dollars)



### PRIMARY PRODUCTION

	Newsprint Paper	Groundwood Specialty Papers	Fine and Printing Papers	Building Boards	Paper-boards	Market Pulp	Lumber
	Tons	Tons	Tons	MSF	Tons	Tons	MFBM
1963	740,600	18,900	113,200	332,600	42,900	57,400	—
1964	819,300	16,600	115,700	382,900	54,300	68,000	—
1965	829,300	26,600	110,100	436,900	56,600	58,700	—
1966	890,800	36,300	122,100	380,900	55,000	78,300	—
1967	825,900	38,800	125,300	390,000	54,600	76,200	—
1968	925,100	43,200	116,300	449,500	56,400	100,000	—
1969	1,078,300	47,700	123,500	438,900	71,900	103,900	—
1970	1,043,600	37,300	138,700	452,000	77,800	112,500	8,600
1971	967,000	22,200	130,000	510,200	75,800	104,900	21,500
1972	980,100	32,000	145,300	570,400	78,500	112,800	29,700

A significant portion of the market pulp production, more than 50% in 1972, is consumed in the manufacture of primary paper products at other Abitibi mills.

In addition to these products, Abitibi manufactures envelopes, stationery, flat-sliced hardwood veneers, veneered panelings, decorative hardboard panels and corrugated containers.

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## Mineral Interests

### Mattabi Mines Limited

Mattabi Mines Limited, owned 60% by Mattagami Lake Mines Limited and 40% by Abitibi, completed its construction and development program by mid-1972 as planned. The mine site of four and one-half square miles near Sturgeon Lake, Ontario, was formerly part of Abitibi's Block VII freehold forest land. The mill design, construction and initial development work were most capably accomplished under the management of Mattagami Lake Mines, the principal partner in this venture. Construction costs exceeded estimates by about 3% only, despite the complexities involved in establishing this new enterprise in a remote forest location. Operation of the copper circuit in the concentrator commenced in July and was followed shortly thereafter by the zinc and lead circuits. The official start-up date was August 1, 1972. Borrowings to finance the construction, development and working capital amounted to \$45,000,000. The mine was officially opened on September 14, 1972 by senior company officials and the Hon. Leo Bernier, Minister of Natural Resources, Province of Ontario, with representatives attending from interested business

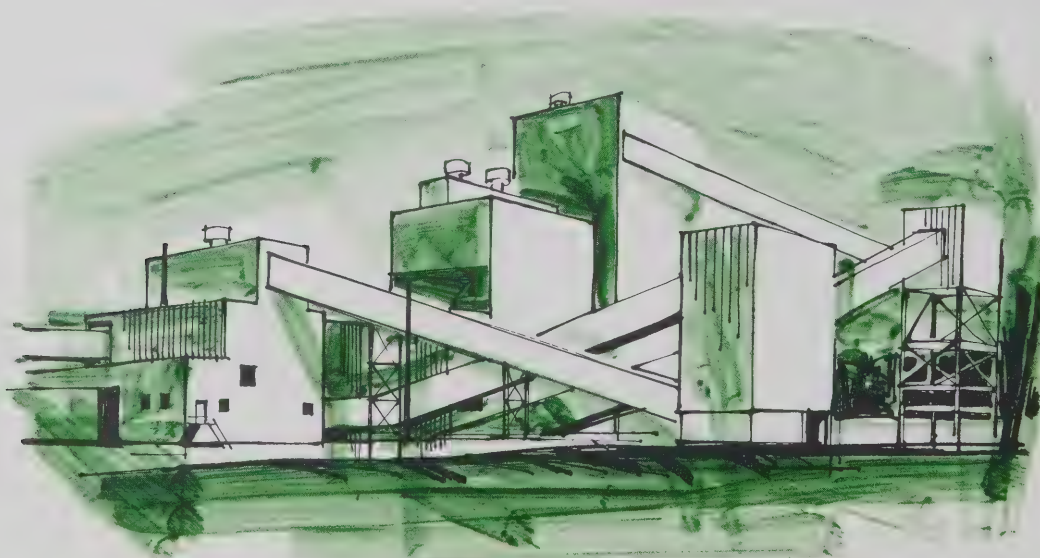
organizations and government departments. Operations attained rated capacity of 3,000 tons per day within a short time after all circuits were placed in operation. There was no income tax accrual in 1972 and earnings are exempt from federal income taxes until after December 31, 1973.

Mattabi is currently extracting its ore by the open pit method and will continue to do so for several years. The ore body has not been delimited at depth and will not be until a shaft is sunk in preparation for underground mining.

Net income from the start-up of operations on August 1, 1972, was \$4,418,000, with Abitibi's 40% equity amounting to \$1,767,000.

### Exploration

Mineral exploration on Abitibi's more than 1,000 square miles of freehold forest land continued during 1972. While most of the exploration was carried out by major mining companies under terms of exploration agreements, there were also some exploration outlays incurred by Abitibi. No discoveries of commercial value were encountered on Abitibi lands during 1972. There will be further exploration during 1973.





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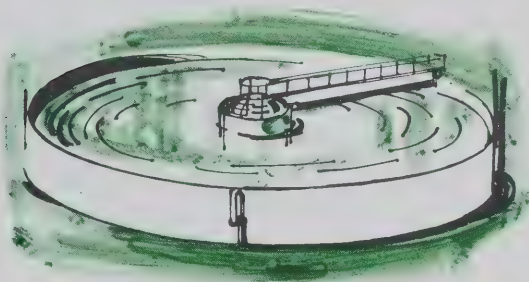
## Ecology

### Environmental Control

The Abitibi pollution abatement program continued in 1972. Our three paper mills at Thunder Bay, Ontario, now meet or surpass suspended solid objectives of both provincial and federal governments as a result of extensive in-plant changes, the installation of large settlement lagoons and a clarifier. Worthwhile pollution abatement projects were also completed at Smooth Rock Falls, Thorold, Pine Falls and Alpena.

Our Thorold fine paper mill has expanded its facilities to de-ink and recycle selected grades of waste papers with a current capacity to recycle 37,000 tons of post-consumer waste each year.

The Iroquois Falls newsprint mill produces wrapping paper containing 75% recycled waste papers. About 9,000 tons of waste materials are recycled annually.



The projected cost of effluent and emission improvement is very substantial in mills designed many years ago. While it is desirable for regulatory agencies to set objectives and dates for compliance, there should be a greater appreciation of technical problems and the substantial capital funds required. Cash flow from operations will not alone provide all the funds needed to meet objectives in the time frames that are being established. Numerous briefs dealing with this important matter have been presented to both provincial and federal governments.



### Woodlands

The public's increasing interest in the forest environment and the conservation of resources is continuing to be reflected in our forest operation programs. Under a program sponsored by the Ontario Ministry of Natural Resources, over seven million trees were planted on Abitibi's licensed limits during 1972.

Many miles of company-built roads are used by people seeking outlets for fishing, hunting and other outdoor interests.

Abitibi harvests its forest resources in accordance with programs that are carefully planned to meet long term needs for paper, pulp and building materials. We are mindful in this planning that there must be adequate and continuous growth for future forests. In all our operations we are influenced by factors such as wildlife habitat, preservation of water resources and protection of standing forests.



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## Organization and Personnel

### Directors

Mr. Allan Graydon, Q.C., retired from the Board of Directors early in the year after service of close to twenty-six years. His sound counsel and thorough understanding of Abitibi's affairs made an outstanding contribution to the progress of the company.

The Hon. John P. Robarts, P.C., Q.C., former Prime Minister of the Province of Ontario, was elected to the Board in February 1972.

Messrs. George M. Brain and W. Stanley Rothwell were elected directors at the annual meeting of shareholders. They are experienced senior executives of the company with an intimate knowledge of the company's operations.

Mr. Robert H. Reid passed away in November. He had been a director since 1946 with a highly valued and appreciated record of service.

### Officers

Effective January 1, 1973, Mr. Thomas J. Bell was elected Chairman of the Board as successor to Mr. Paul E. Roberts who resigned at that date. Mr. Bell continues as Chief Executive Officer and Mr. Roberts remains a director.

At the same date, Mr. C. Harry Rosier was elected President and Chief Operating Officer. Mr. Rosier has served the company in an executive capacity since 1959 and was Executive Vice-President prior to this change in office.

There were a number of other changes in the executive organization in 1972 including the retirements of Mr. E. Edward Grainger, Vice-President, Woodlands, and Mr. William H. S. Pote, Treasurer, after long and valuable services to the company.

### Appreciation

Abitibi and its subsidiary companies have plants, warehouses or offices in six Canadian provinces and thirteen states in the U.S.A. There are a total of 10,600 employees, of which 9,400 are in Canada and 1,200 in the United States. About one in every seven has been with us for more than 25 years.

The people of Abitibi are one of our great strengths. They hold skills and talents that are many and varied. Our progress and success are directly related to the competence with which these skills are applied. The directors appreciate and respect the contribution made by Abitibi employees in 1972.



## Consolidated Net Earnings

	Year ended December 31	
	1972	1971
<b>Revenue:</b>		
Net sales .....	\$307,751,309	\$279,434,336
Other income (note 3) .....	3,129,380	3,275,929
	<u>310,880,689</u>	<u>282,710,265</u>
<b>Costs and Expenses:</b>		
Cost of products sold .....	251,101,070	229,617,937
Provision for depreciation .....	16,265,585	16,427,928
Provision for depletion .....	380,438	254,027
Selling, general and research expenses .....	23,377,291	21,070,308
Interest on bank indebtedness .....	265,341	433,031
Interest and expense on long term debt .....	7,395,893	7,850,753
Taxes on income .....	5,346,000	2,933,500
	<u>304,131,618</u>	<u>278,587,484</u>
<b>Earnings before Income from Mining</b> .....	6,749,071	4,122,781
<b>Equity in earnings of Mattabi Mines Limited (note 2)</b> .....	1,767,112	—
<b>Earnings from Operations</b> .....	<u>8,516,183</u>	<u>4,122,781</u>
<b>Extraordinary Item:</b>		
Income tax reduction from carry forward of losses of subsidiary company .....	—	728,000
<b>Net Earnings</b> .....	<u>\$ 8,516,183</u>	<u>\$ 4,850,781</u>
<i>Per common share:</i>		
Earnings from operations .....	43.5¢	18.9¢
Net earnings .....	43.5¢	23.0¢

## Consolidated Retained Earnings

	Year ended December 31	
	1972	1971
Retained earnings at beginning of year .....	\$138,764,576	\$134,655,974
Net earnings .....	8,516,183	4,850,781
	<u>147,280,759</u>	<u>139,506,755</u>
Dividends declared on preferred shares .....	731,299	742,179
Dividend declared on common shares .....	1,256,716	—
	<u>1,988,015</u>	<u>742,179</u>
<b>Retained Earnings at End of Year</b> .....	<u>\$145,292,744</u>	<u>\$138,764,576</u>

## Consolidated Balance Sheet

### ASSETS

	December 31	
	1972	1971
<b>Current Assets:</b>		
Cash .....	\$ 7,868,154	\$ 6,398,264
Short term investments at cost which approximates market .....	13,455,998	7,350,761
Accounts receivable .....	56,298,842	53,378,188
Inventories (note 6) .....	49,955,428	49,564,091
Prepaid expenses .....	2,247,209	2,212,307
	<u>129,825,631</u>	<u>118,903,611</u>
 <b>Capital Assets:</b>		
Properties, plant and equipment (note 7) .....	455,067,262	444,625,675
Less — accumulated depreciation .....	257,179,280	243,025,194
	<u>197,887,982</u>	<u>201,600,481</u>
Logging equipment and development at depreciated cost .....	4,372,930	5,311,454
Woodlands and water power rights, less accumulated depletion of \$8,101,199 (1971 — \$7,720,761) .....	23,315,745	23,444,824
	<u>225,576,657</u>	<u>230,356,759</u>
 <b>Investments and Other Assets:</b>		
Investment in Mattabi Mines Limited (note 2) .....	1,767,115	3
Other investments (note 8) .....	8,313,251	8,719,564
Cost of shares of acquired companies in excess of book values of underlying net assets (note 1) .....	21,362,739	21,076,582
Unamortized discount and expense on long term debt .....	1,029,166	1,115,401
	<u>32,472,271</u>	<u>30,911,550</u>
 <b>Approved by the Board of Directors:</b>		
T. J. Bell, Director		
C. H. Rosier, Director		
	<u>\$387,874,559</u>	<u>\$380,171,920</u>



## LIABILITIES

	December 31	
	1972	1971
<b>Current Liabilities:</b>		
Bank indebtedness .....	\$ 655,000	\$ 3,555,600
Accounts payable .....	27,903,705	21,424,178
Interest accrued on long term debt .....	1,348,812	1,391,318
Income and other taxes payable .....	4,919,839	2,951,498
Payments due within one year on long term debt .....	5,379,155	4,921,187
	<u>40,206,511</u>	<u>34,243,781</u>
<b>Long Term Debt</b> (note 9) .....	106,060,101	112,768,895
<b>Deferred Taxes on Income</b> .....	31,121,813	30,011,358
<b>Unrealized Gain on Translation of Foreign Currencies</b> (note 10) .....	5,632,942	5,447,691

## SHAREHOLDERS' EQUITY

<b>Preferred Shares:</b> (note 11)		
Authorized: 1,000,000 shares par value \$50 issuable in series (200,000 shares issued; 5,020 shares purchased and cancelled)		
Outstanding: 194,980 7½% Cumulative Redeemable Preferred Shares, Series A (1971 — 195,105 shares) .....	9,749,000	9,755,250
<b>Common Shares:</b> (note 12)		
Authorized: 24,000,000 shares without nominal or par value		
Issued: 17,953,082 shares (1971 — 17,884,384 shares) .....	49,811,448	49,180,369
<b>Retained Earnings</b> (note 13) .....	145,292,744	138,764,576
	<u>204,853,192</u>	<u>197,700,195</u>
	<u>\$387,874,559</u>	<u>\$380,171,920</u>

## Consolidated Source and Application of Funds

Source of Funds:	Year ended December 31	
	1972	1971
Earnings from operations .....	\$ 8,516,183	\$ 4,122,781
Charges (credits) to earnings not affecting working capital:		
Depreciation and depletion .....	16,646,023	16,681,955
Deferred taxes on income .....	1,026,500	109,500
Discount and expense on long term debt .....	82,358	84,114
Equity in earnings of Mattabi Mines Limited .....	(1,767,112)	—
	<u>24,503,952</u>	<u>20,998,350</u>
Increase in long term debt .....	161,023	423,420
Disposal of capital assets .....	517,696	3,557,761
Common shares issued .....	631,079	—
Decrease in other investments .....	406,313	(1,237,359)
Income tax reduction from carry forward of losses of subsidiary company .....	—	728,000
Other items — net .....	194,518	(27,872)
	<u>26,414,581</u>	<u>24,442,300</u>
 <b>Application of Funds:</b>		
Invested in capital assets .....	11,657,077	10,285,096
Acquisition of subsidiary company .....	781,714	—
Retirement of long term debt .....	7,022,309	5,647,020
Retirement of preferred shares .....	6,176	226,409
Dividends declared on preferred shares .....	731,299	742,179
Dividend declared on common shares .....	1,256,716	—
	<u>21,455,291</u>	<u>16,900,704</u>
Increase in working capital .....	4,959,290	7,541,596
Working capital at beginning of year .....	84,659,830	77,118,234
<b>Working Capital at End of Year .....</b>	<u><u>\$ 89,619,120</u></u>	<u><u>\$ 84,659,830</u></u>



## Notes to Consolidated Financial Statements

### 1. Principles of Consolidation

The consolidated financial statements include the accounts of Abitibi Paper Company Ltd. and all subsidiary companies. Balances and transactions in other currencies have been translated into Canadian dollars as follows:

Capital assets and investments at exchange rates in effect at dates of acquisition; other assets and liabilities at rates in effect at December 31st; revenue and expenses at average rates for the period except for depreciation and depletion which are on the same basis as the related capital assets.

The cost of shares of acquired companies in excess of book values of underlying net assets is not being amortized.

### 2. Mattabi Mines Limited

Abitibi owns 40% of the common shares of Mattabi Mines Limited and its investment is carried at the nominal cost of \$3 plus its interest in net earnings in accordance with the equity method of accounting. Under this method Abitibi's share of Mattabi earnings is included in consolidated net earnings for the year. The investment account is increased by the equity in earnings and will be decreased by dividends received. No dividends have been received to December 31, 1972.

The following is a condensed summary of the financial position of Mattabi at December 31, 1972 and the results of its operations from the end of the pre-production stage on July 31, 1972 to December 31, 1972, as shown by its audited financial statements:

<b>ASSETS</b>	
Current assets . . . . .	\$12,208,331
Fixed assets, at cost less accumulated depreciation . . . . .	35,125,108
Other assets, primarily pre-production and deferred development expenditures at cost less amounts written off . . . . .	7,386,335
	<u>\$54,719,774</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>	
Current liabilities . . . . .	\$13,783,994
Bank loans — less amounts due currently . . . . .	33,893,000
Capital stock . . . . .	2,625,000
Retained earnings . . . . .	4,417,780
	<u>\$54,719,774</u>
<b>NET EARNINGS</b> . . . . .	<u>\$ 4,417,780</u>

The earnings of Mattabi are exempt from federal income taxes to December 31, 1973.

### 3. Other Income

The principal sources of other income are interest from accounts receivable, mortgages, investments, etc., gains on disposals of capital assets no longer required for business purposes (principally real estate) and foreign exchange gains on current maturities of long term debt. The make-up of other income is as follows:

	<b>1972</b>	<b>1971</b>
Interest and miscellaneous income . . . . .	\$ 2,037,506	\$ 1,281,853
Gain on capital asset disposals . . . . .	678,048	1,680,287
Foreign exchange gains on current maturities of long term debt . . . . .	413,826	313,789
	<u>\$ 3,129,380</u>	<u>\$ 3,275,929</u>

### 4. Employees' Pension Plans

Retroactive improvements of pension benefits in 1972 and prior years have resulted in additional costs which are being funded and charged to earnings in annual instalments to 1989. Based on the most recent actuarial report, the single-sum liability for unfunded pension benefits is estimated at \$5,700,000 at December 31, 1972.

### 5. Remuneration of Officers and Directors

Remuneration in 1972 of the Company's eighteen directors and twenty officers, including past officers, determined in accordance with the Canada Corporations Act, amounted to \$46,000 and \$820,032 respectively (in 1971 \$58,200 and \$782,990 respectively). Six officers of the Company served also as directors.

## 6. Inventories

	December 31	
	1972	1971
At the lower of cost or net realizable value:		
Finished products and goods in process . . . . .	\$22,397,783	\$18,639,615
Materials and supplies . . . . .	12,174,928	12,296,185
At cost:		
Pulpwood and expenditures on current logging operations . . . . .	15,382,717	18,628,291
	<u>\$49,955,428</u>	<u>\$49,564,091</u>

## 7. Properties, Plant and Equipment

Properties, plant and equipment are stated at cost except for assets of a net depreciated book value of \$5,122,621 at December 31, 1972 included at appraised values as at April 30, 1946.

## 8. Other Investments

Other investments are stated at cost except for investments in 50% owned companies which, in accordance with the equity method of accounting, are at cost plus the equity in earnings less dividends received since dates of acquisition.

	December 31	
	1972	1971
Bonds, debentures and notes . . . . .	\$ 3,259,435	\$ 4,058,574
Townsite mortgages and advances . . . . .	2,526,517	2,339,253
Investment in 50% owned companies . . . . .	1,761,611	1,597,096
Other . . . . .	765,688	724,641
	<u>\$ 8,313,251</u>	<u>\$ 8,719,564</u>

## 9. Long Term Debt

	December 31	
	1972	1971
Abitibi Paper Company Ltd.:		
First Mortgage Sinking Fund Bonds		
Series B, 4¼% due July 15, 1974 . . . . .	\$ 1,557,500	\$ 2,024,500
Series C, 6¼% due November 15, 1977 . . . . .	4,566,000	4,850,000
Sinking Fund Debentures		
Series A, 5¼% due September 15, 1985 (\$15,050,000 U.S.) . . . . .	14,974,750	15,900,400
Series B, 7¼% due September 15, 1987 . . . . .	14,214,000	15,000,000
Series D, 9¾% due April 1, 1990 . . . . .	15,000,000	15,000,000
Abitibi Corporation:		
5½% Instalment Notes, due May 1, 1984 (\$10,200,000 U.S.) . . . . .	10,149,000	10,817,280
Abitibi Carolina Corporation:		
7½% Promissory Notes, due June 30, 1978 (\$7,333,336 U.S.) . . . . .	7,296,669	8,680,535
Abitibi Holdings, Inc. and subsidiary companies:		
4% Promissory Note, due March 22, 1973 (\$5,000,000 U.S.) . . . . .	4,975,000	5,008,000
Instalment Note, due March 31, 1977 (\$3,000,000 U.S.) . . . . .	2,985,000	3,505,600
5½% Instalment Note, due December 1, 1986 (\$14,000,000 U.S.) . . . . .	13,930,000	15,024,000
7¾% Guaranteed Notes, due May 15, 1988 (\$17,000,000 U.S.) . . . . .	16,915,000	17,027,200
5¼% Promissory Note, due May 28, 1991 (\$3,592,589 U.S.) . . . . .	3,574,626	3,435,400
Miscellaneous Notes due 1973 to 1976 (\$241,247 U.S.) . . . . .	240,041	367,725
Other obligations . . . . .	1,061,670	1,049,442
	<u>111,439,256</u>	<u>117,690,082</u>
Less — payments due within one year . . . . .	5,379,155	4,921,187
	<u>\$106,060,101</u>	<u>\$112,768,895</u>

Arrangements have been made to refinance the 4% Promissory Note, due March 22, 1973, at current interest rates with final maturity in 1978.

Sinking fund and instalment payment obligations for 1973 on long term debt, including payments based on 1972 earnings, amount to \$6,400,155 of which \$1,021,000 has been discharged by prior purchase and retirement. Principal repayment obligations on long term debt for the years 1974 to 1977 inclusive are estimated to be \$7,486,000, \$6,578,000, \$7,364,000 and \$9,732,000 respectively.

Abitibi Paper Company Ltd. has effectively guaranteed payment of outstanding long term debt of subsidiary companies amounting to \$42,533,336 U.S. at December 31, 1972. Its guarantee of the 7¾% Guaranteed Notes of Abitibi Holdings, Inc. is secured by the pledge of \$17,000,000 U.S. principal amount of 7¾% Debentures, Series C.



**10. Unrealized Gain on Translation of Foreign Currencies**

The net unrealized gain of \$5,632,942 on translation of foreign currencies carried forward on the consolidated balance sheet arises principally from the restatement to the current rate of exchange of long term debt payable in U.S. funds. Realization of all or any part of this gain is dependent on the exchange rate in effect when the debt is retired.

**11. Preferred Shares**

The 7½% Cumulative Redeemable Preferred Shares, Series A, are redeemable at the option of the Company at \$52 per share from June 1, 1978 to May 31, 1983 and thereafter at \$51 per share. During 1972, a total of 125 shares with a par value of \$6,250 were purchased and cancelled pursuant to the conditions attaching to this issue of shares.

**12. Common Shares**

Of the authorized and unissued common shares, 525,320 shares are reserved under the Key Employees' Stock Option Plan. Options granted under this plan are for terms of up to ten years at market value at date of grant and are normally exercisable in instalments upon fulfillment of service conditions. At December 31, 1972, options were outstanding on a total of 329,885 shares at prices from \$7.3125 to \$9.875 per share of which options covering 281,465 shares were held by officers of the Company. During 1972, 14,780 common shares valued at \$108,079 were issued under terms of the Key Employees' Stock Option Plan and 53,918 common shares valued at \$523,000 were issued as part of the consideration in the acquisition of a subsidiary company.

**13. Dividend Covenants**

Covenants entered into in connection with the issue of debentures and preferred shares include certain restrictions on the payment of dividends. Under the most restrictive of these provisions, dividends subsequent to December 31, 1969 may be not more than consolidated net income earned after that date (as defined) plus an amount of \$20,000,000.

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## Auditors' Report

**To the Shareholders of ABITIBI PAPER COMPANY LTD.**

We have examined the consolidated balance sheet of Abitibi Paper Company Ltd. and subsidiary companies as at December 31, 1972 and the consolidated statements of net earnings, retained earnings and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. We have relied on the report of other chartered accountants as to the equity of Abitibi Paper Company Ltd. in the earnings of Mattabi Mines Limited.

In our opinion these consolidated financial statements present fairly the financial position of the companies as at December 31, 1972 and the results of their operations and the source and application of their funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

**PRICE WATERHOUSE & CO.**  
Chartered Accountants

Toronto, February 16, 1973

## Ten Year Review (all amounts stated in thousands of dollars other than per share calculations)

	1972	1971	1970
<b>Sales and Earnings</b>			
Net sales	\$307,751	\$279,434	\$283,947
Depreciation and depletion	16,646	16,682	16,023
Taxes on income	5,346	2,933	4,630
Equity in earnings of Mattabi Mines Limited	1,767	—	—
Earnings from operations	8,516	4,123	5,032
Extraordinary gain (loss)	—	728	(455)
Net earnings	8,516	4,851	4,577
Per common share* — earnings from operations	43¢	19¢	24¢
— net earnings	43¢	23¢	21¢
<b>Dividends Declared</b>			
On preferred shares	\$ 731	\$ 742	\$ 750
On common shares	1,257	—	5,006
Per common share*	7¢	—	28¢
<b>Capital Expenditures</b>			
On properties, plant and equipment	\$ 10,904	\$ 9,481	\$ 15,178
On logging equipment and development	551	702	2,076
On woodlands	202	102	89
<b>Financial Position</b>			
Current assets	\$129,826	\$118,904	\$117,973
Current liabilities	40,207	34,244	40,855
Working capital	89,619	84,660	77,118
Capital assets, at net book values	225,577	230,357	239,404
Investments and other assets	32,472	30,911	30,695
Deposit on sale of real estate	—	—	—
Long term debt**	106,060	112,769	118,370
Deferred taxes on income	31,122	30,011	29,867
Unrealized gain on translation of foreign currencies	5,633	5,448	5,154
Shareholders' equity	204,853	197,700	193,826
<b>Shareholders' Equity</b>			
Shareholders' equity — preferred shareholders	\$ 9,810	\$ 9,816	\$ 10,052
— common shareholders	195,043	187,884	183,774
Common shares outstanding* (thousands)	17,953	17,884	17,884
Equity per common share*	\$ 10.86	\$ 10.51	\$ 10.28

\* Calculations of earnings per common share are based on the average number of shares outstanding during the respective periods. Calculation of equity per common share is based on the number of shares outstanding at the end of the respective periods. The number of common shares and per share calculations have been adjusted where applicable to reflect the 4 for 1 stock split November 30, 1963.



1969	1968	1967	1966	1965	1964	1963
\$287,000	\$255,588	\$209,303	\$211,167	\$194,411	\$184,709	\$164,576
16,076	15,078	12,284	11,599	10,486	10,142	9,854
12,307	11,490	12,457	15,105	16,160	17,498	15,040
—	—	—	—	—	—	—
12,141	10,617	12,452	15,928	16,736	17,934	16,208
—	411	—	—	—	—	—
12,141	11,028	12,452	15,928	16,736	17,934	16,208
64¢	58¢	72¢	92¢	96¢	\$ 1.02	94¢
64¢	60¢	72¢	92¢	96¢	\$ 1.02	94¢
\$ 750	\$ 323	\$ —	\$ —	\$ —	\$ 395	\$ 412
6,430	8,157	9,747	9,741	9,728	9,639	8,682
36¢	46¢	56¢	56¢	56¢	56¢	51 1/2 ¢
\$ 21,836	\$ 14,476	\$ 13,332	\$ 20,842	\$ 30,418	\$ 19,116	\$ 15,008
2,818	1,722	2,271	3,730	1,204	771	950
58	6	1,615	—	—	—	—
\$113,513	\$ 97,978	\$ 83,247	\$ 71,156	\$ 86,887	\$ 71,377	\$ 64,029
49,008	36,293	25,835	25,664	38,130	25,372	26,067
64,505	61,685	57,412	45,492	48,757	46,005	37,962
238,078	230,661	192,541	187,077	174,296	153,440	143,912
32,102	31,890	10,835	5,978	4,793	4,838	4,574
—	—	1,650	—	—	—	—
109,552	105,704	59,675	46,123	48,948	40,739	31,678
29,687	28,809	26,189	21,855	14,847	6,605	1,485
689	—	—	—	—	—	—
194,757	189,723	173,274	170,569	164,051	156,939	153,285
\$ 10,062	\$ 10,062	\$ —	\$ —	\$ —	\$ —	\$ 8,990
184,695	179,661	173,274	170,569	164,051	156,939	144,295
17,863	17,855	17,405	17,405	17,374	17,365	16,971
\$ 10.34	\$ 10.06	\$ 9.95	\$ 9.80	\$ 9.44	\$ 9.04	\$ 8.50

\* Long term debt in U.S. funds is translated into Canadian dollars for 1969 and subsequent years at exchange rates in effect at December 31st and for prior years at rates prevailing when the debt was incurred.

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## Products, Sales Offices and Plants

### NEWSPRINT, PULP AND BOARD — CANADA

#### Sales and Service

##### NEWSPRINT, PULP AND GROUNDWOOD SPECIALTIES

Abitibi Paper Sales Ltd.  
Toronto, Ont.; Montreal, Que.

##### BUILDING PRODUCTS

Abitibi Panel Products  
Toronto, Ont.; Montreal, Que.

##### CORRUGATED CONTAINERS

Abitibi Containers  
Toronto and Pembroke;  
Ont.; Montreal, Que.

##### CORRUGATING MEDIUM

Abitibi Forest Products Ltd.  
Toronto, Ont.

#### Manufactured at:

##### NEWSPRINT

Iroquois Falls, Sault Ste. Marie,  
Thunder Bay (2 mills), Ont.  
Pine Falls, Man.; Beaufort, Que.

##### PULP (ALSO KILN DRIED LUMBER)

Smooth Rock Falls, Ont.

##### GROUNDWOOD SPECIALTIES

Sault Ste. Marie, Ont.

##### BUILDING PRODUCTS

Sturgeon Falls and Durham, Ont.

##### CORRUGATED CONTAINERS

Toronto and Pembroke, Ont.

##### CORRUGATING MEDIUM

Sturgeon Falls, Ont.

### FINE PAPERS — CANADA

#### Sales and Service

##### FINE AND PRINTING PAPERS

Abitibi Provincial Paper  
Toronto, Ont.; Montreal, Que.

#### Manufactured at:

Thorold, Georgetown and Thunder Bay, Ont.

#### Envelopes and Stationery; School, Home and Office Supplies

Hilroy Envelopes & Stationery Limited,  
Toronto, Ont.; Vancouver, B.C.;  
Calgary, Alta.

The Canadian Stationery Company Limited,  
Joliette, Que.

Canada Envelope Company,  
Montreal, Que.; Stellarton, N.S.

Canada Envelope (Ontario) Limited,  
Toronto, Ont.

#### Paper Merchants

Inter City Papers, Limited:

Whyte-Hooke Papers  
Toronto, Ont.

T. B. Little + Corbeil  
Montreal and Quebec City, Que.

Lauzier Paper Ltd.  
Montreal, Que.

Neville Papers  
Ottawa, Ont.

Hillier Paper Limited  
Winnipeg, Man.

### ABITIBI CORPORATION — U.S.A.

#### Sales and Service

##### NEWSPRINT

Abitibi Newsprint Corporation,  
Birmingham, Mich.; Atlanta, Ga.;  
Des Plaines, Ill.; Woodbridge, N.J.

##### BUILDING PRODUCTS

Abitibi Corporation,  
Birmingham, Mich.; Atlanta, Ga.;  
Des Plaines, Ill.; Cleveland, Ohio;  
Dallas, Tex.; Kansas City, Kans.;  
Los Angeles, Calif.; New York, N.Y.;  
Memphis, Tenn.; Philadelphia, Pa.

#### Manufactured at:

##### NEWSPRINT

Augusta, Ga. and six Canadian mills

##### BUILDING PRODUCTS

Alpena, Mich.; Roaring River, N.C.;  
Chicago, Ill.; Cucamonga, Calif.



## **PRINCIPAL COMPANIES**

Abitibi Paper Company Ltd.  
Abitibi Containers  
Abitibi Forest Products Ltd.  
Abitibi Provincial Paper  
Abitibi Panel Products  
Abitibi Paper Sales Ltd.  
Abitibi Corporation  
Abitibi Carolina Corporation  
Abitibi Newsprint Corporation  
Abitibi Holdings, Inc.  
Abitibi Southern Corporation  
Abitibi Woodlands Corporation  
Abitibi Florida Corporation  
Hilroy Envelopes & Stationery Limited  
The Canadian Stationery Company Limited  
Canada Envelope Company  
Canada Envelope (Ontario) Limited  
Inter City Papers, Limited  
Whyte-Hooke Papers  
T. B. Little + Corbeil  
Lauzier Paper Ltd.  
Neville Papers  
Hillier Paper Limited

Lithographed in Canada.

The cover stock is Kromekote\* Cover  
CC1S 12 pt.

\*Kromekote is a registered trademark  
owned by Champion International  
Corporation.



Text pages are Abitibi Provincial's  
new Paragon Offset White, basis 200M  
which contains a percentage of de-inked  
recycled fibre.

All Abitibi Provincial paper grades  
containing de-inked recycled fibre  
have this mark on the package.

